

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

DIVISION OF CREDIT UNIONS

NEWSLETTER

Volume 4, Number 10 December 13, 2002

CREDIT UNION COMMISSION

The next regular Commission meeting will be held on January 15, 2003 at 10:30 AM, Harry S Truman State Office Building, Jefferson City, Missouri. Items on the agenda include:

- ✓ appeal of the Director, Division of Credit Unions' decision approving the field of membership expansion of First Community Credit Union,
- ✓ Consideration of groups containing greater than 3,000 members,
- ✓ Update on appeals of Director's Decisions approving field of membership expansions,
- ✓ Federal and state legislative review and
- ✓ Condition report, Missouri credit unions.

Commission meetings are open to the public but portions may be closed as provided by the Missouri Sunshine Law.

FIELD OF MEMBERSHIP APPLICATION UPDATE

Springfield Telephone Employees Credit Union (now **Telcomm Credit Union**) submitted an application to include those persons who reside or work in the 417 telephone Area Code and the 573 (bordered on the north by I-70) telephone Area Code. The Director approved the expansion of **Springfield Telephone Employees Credit Union** to those in the 417 Area Code, but not the 573 Area Code. The decision was published in the November 15, 2000 Missouri Register. On November 30, 2000 the Missouri Bankers Association (MBA) and Century Bank of the Ozarks (CBO) filed an appeal of the decision to the Credit Union Commission. The Commission heard the appeal on March 29, 2001. On May 24, 2001 the Commission upheld the decision of the Director. On August 16, 2001, the decision was released and the Director filed **Springfield Telephone Employees Credit Union's** amended bylaws with the Secretary of State. On September 14, 2001, the MBA and CBO filed a petition for administrative review in Cole County Circuit Court. On November 19, 2001, a hearing was held before Judge Tom Brown, Division 1, Circuit Court of Cole County. The motion to refer the case to another division of the court was granted and the case was referred to Judge Byron Kinder, Division 2. A motion to dismiss the case for lack of standing was heard on January 3, 2002. On January 29, 2002 the court ruled the plaintiffs lack

standing to maintain causes of action set forth in their petition and ordered the plaintiffs' petition be dismissed. On March 11, 2002 the MBA and CBO filed an appeal of the decision in the Western Appellate Court of Appeals. Appellant's briefs were due June 3, 2002 with the respondent's briefs due July 3, 2002. A hearing by the Western Appellate Court was held on October 3, 2003 in Kansas City. Disposition of the case can be followed on the internet at <http://casenet.osca.state.mo.us/casenet/> case number WD61134.

South Community Credit Union submitted an application for those who work or reside in Zip Codes 63109, 63111, 63116, 63123, 63125, 63128, 63129, and Crawford County, Franklin County, Gasconade County and Washington County. **Central Communications Credit Union** submitted an application for those persons who reside or work in the 816 telephone Area Code. The Director approved the applications submitted by **South Community and Central Communications Credit Unions**. These decisions were published in the November 15, 2000 Missouri Register. On November 30, 2000 the MBA and two local banks located in each of the two applicants' field of membership expansion areas filed appeals of the decisions to the Credit Union Commission. The Commission received the record of appeals from all parties on May 24, 2001. On August 9, 2001 the Commission upheld the decisions of the Director. The written decisions were released on January 25, 2002. On February 21, 2002, the MBA and the local banks filed a petition for administrative review in Cole County Circuit Court. Both cases were assigned to Judge Tom Brown, Division 1. On April 17 the cases were reassigned to Judge Byron L. Kinder, Division 2 and a motion was entered to stay the proceedings until the outcome of the Springfield Telephone Employees case was decided. The cases can be followed on the internet at <http://casenet.osca.state.mo.us/casenet/>; the case numbers are 02CV323402 and 02CV323401.

Educational Employees Credit Union (now **Vantage Credit Union**) submitted an application for those who live or work in St. Louis County, St. Charles County, Jefferson County, Cape Girardeau County and Franklin County. The application was published in the December 15, 2000 Missouri Register. The Director approved the application and his decision was published in the February 15, 2001 Missouri Register. On March 1, 2001 the MBA and two banks located in the applicant's field of membership expansion area filed an appeal of the decision to the Credit Union Commission. The Commission received the record of appeal of

Educational Employees Credit Union on October 19, 2001 and established briefing schedules. On March 5, 2002, the Commission dismissed the appeal due to lack of standing. On July 18, 2002 the MBA and the two banks filed a Petition in Mandamus in Cole County Circuit Court. An order by Cole County District Court staying the case was entered on December 2, 2002. The case can be followed on the internet at <http://casenet.osca.state.mo.us/casenet/>; case number 02CV324797.

City Utilities Credit Union submitted an application for community residents and workers in Greene and Christian Counties. The application was published in the June 1, 2001 Missouri Register. The Director approved the application and his decision was published in the August 1, 2001 Missouri Register. On August 14, 2001 the MBA and a local bank located within the applicant's field of membership expansion area filed an appeal of the decision to the Credit Union Commission. On August 8, 2002 the Commission heard and denied the appeal for lack of standing. The decision was released on December 9, 2002.

First Community Credit Union submitted an application for individuals who reside or work in the counties of Lincoln, Warren, Franklin, Washington, St. Francois, Ste. Genevieve, Pike, Montgomery, Gasconade and Crawford in the state of Missouri and the City of St. Louis. The application was published in the August 1, 2002 Missouri Register. The Director approved the application and his decision was published in the September 16, 2002 Missouri Register. On September 26, 2002 the MBA and a local bank located within the field of membership expansion area filed an appeal of the decision to the Credit Union Commission. The Commission at their October 31, 2002 meeting established the briefing schedule for the appeal. The Commission is scheduled to hear the appeal at their January 15, 2003 meeting.

Farmland Industries Credit Union submitted an application for current and retired employees, their immediate families and/or their heirs, administrators, executors, trustees or organizations or trusts participated in or comprised of such members of Farmland Industries, Inc., Cap Gemini Ernst & Young U.S. **Jefferson City Highway Credit Union** submitted an application for those persons living or working in Cole County, Missouri. These applications were published in the September 16, 2002 Missouri Register. The Director approved these applications and his decisions were published in the November 15, 2002 Missouri Register. The decisions are now final.

Alliance Credit Union submitted an application for those who work or reside in St. Charles County or St. Louis County. The application was published in the November 15, 2002 Missouri Register. The Director approved the application and his decision will be published in the January 16, 2003 Missouri Register. A fifteen calendar day period for appeal must occur before the decision is final.

St. Louis Postal Credit Union submitted an application for those who live or work in the Zip Codes 63005, 63017, 63042, 63043, 63044, 63126, 63127 and St. Charles County. The application was published in the December 2, 2002 Missouri Register. A ten business day period for comments must occur before the director can make a decision.

United Community Credit Union, an Illinois chartered credit union, submitted an application for those who live or work in the Missouri counties of Lewis, Ralls and Marion. The application will be published in the January 2, 2003 Missouri Register. A ten business day period for comments must occur before a decision can be made.

FROM THE DIRECTOR

Credit union meetings:

Representatives from sixty credit unions attended the eight meetings held during the first two weeks of December. Four PowerPoint presentations are available for viewing on the Division of Credit Union's internet site at

<http://www.ded.state.mo.us/regulatorylicensing/creditunion/whatsnew.shtml>.

Several suggestions were received that we will be implementing. They include:

Place call report forms on the Division of Credit Unions' web site:

Actually the forms are now being placed on the web site for downloading by the last day of the month ending the quarter (March, June, September and December).

Optional examiner disclosure of CAMEL rating:

Credit unions appear to be divided on the value of examiners disclosing the CAMEL rating to credit union officials.

Examiners, beginning with 2002, for CAMEL 1 and 2 rated credit unions, had the discretion of not conducting an exit conference at a full board meeting, therefore these credit unions know their rating is either a 1 or 2 without disclosure. Examiners are required to conduct an exit conference with the board of directors and senior management for all CAMEL 3, 4 or 5 rated credit unions. Therefore beginning January 1, 2003, disclosure of the CAMEL rating will be at the discretion of the examiner or request by the credit union.

Hot Topics on Division of Credit Unions' internet site:

As suggested we will be placing "hot topics" which are recent examination findings noted by examiners on the "What's New" link on the Division's web site.

From the Division of Credit Unions' employees: We wish everyone a happy holiday season.

A handwritten signature in black ink, appearing to read "John P. Smith".

John P. Smith, Director